

REMARKS

After entry of the foregoing amendment, claims 1-20 are pending in the application.

The specification has been amended to update references to cited patent applications.

The specification has also been amended to clarify the relationship between this application and the recited priority application 09/543,125 (i.e., as a Continuation-in-Part).

The Examiner is requested to check that this change is also reflected in PAIR. (The publication of this application, US 2001/0023193, fails to note the priority to 09/543,125 on its cover page.)

An amended application data sheet using the "Continuation-in-Part" language is submitted herewith.

Claim 6 stands rejected as anticipated by Walsh (6,144,848).

Applicants respectfully traverse the rejection. The elements of claim 6 are drafted in step-plus-function form, as authorized by 35 U.S.C. § 112, ¶ 6. However, the claim elements have not been construed in the manner required by the Federal Circuit in *In re Donaldson*, 16 F.3d 1189, 29 USPQ2d 1845 (1994). Applicants submit that the prior art teachings are not § 112 ¶ 6 equivalents of the acts detailed in applicants' specification.

The Examiner is requested to reconsider claim 6 in view of the *Donaldson* requirements.

Claims 1-5 stand rejected as obvious over Walsh in view of Manico (6,628,326).

Applicants respectfully submit that the Action does not establish a *prima facie* case under § 103. For example, the rejection cites teachings from two references, and then co-joins them with the conclusory rationale "*Therefore, it would have been obvious to one skilled in the art at the time the invention was made to have Walsh, modified by Manico to capture images in order to improve the system performance.*"

This rationale appears based on the Examiner's hindsight, rather than any cognizable teaching or suggestion in the art. This is not sufficient to meet the Office's statutory burden under § 103.

Claims 7-20 are added to more fully protect applicants' inventive work.

The Examiner's attention is drawn to the following, commonly-assigned applications which may be deemed related to the presently-claimed subject matter:

- 09/343,101 (AU 2674, Ex'r L'Esperance, non-final action mailed)
- 09/543,125 (AU 2876, Ex'r Hess, non-final action mailed)
- 09/571,422 (AU 2621, Ex'r Johns, awaiting exam, see claim 25)
- 09/679,261 (AU 2674, Ex'r Liang, non-final action mailed)
- 09/679,262 (AU 3625, Ex'r Thompson, non-final action mailed)
- 09/811,366 (AU 2621, Ex'r Johns, awaiting exam, US20020018579)
- 10/147,228 (AU 2623, Ex'r Dastouri, awaiting exam, US20030012403)

Favorable reconsideration and passage to issuance are solicited.

Date: January 16, 2004

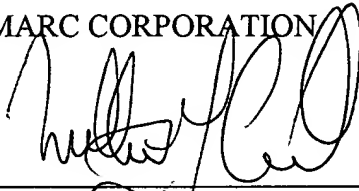
CUSTOMER NUMBER 23735

Phone: 503-885-9699
FAX 503-885-9880

Respectfully submitted,

DIGIMARC CORPORATION

By



William Y. Conwell
Registration No. 31,943